

**AMENDMENTS TO THE DRAWINGS**

Figures 22c and 23b have been amended. The attached sheets of formal drawings replace the original sheets including Figures 22c and 23b.

**REMARKS/ARGUMENTS**

Claims 38-44 were pending in this application. According to the January 30, 2007 non-final Office Action, claims 38-44 were rejected.

We have amended independent claim 38 and dependent claim 41 and have canceled independent claims 39, 42, and 44 and dependent claims 40 and 43 to pursue particular embodiments that we, in our business judgment, have currently determined to be commercially desirable. We will pursue the subject matter of the previously presented and canceled claims in one or more continuing applications. We have also added new independent claims 58 and 67 and new dependent claims 45-57, 59-66, and 68-75 to further protect desirable embodiments. The amendments do not introduce any new matter.

Accordingly, the following claims are under consideration:

- Independent claims 38, 58, and 67.
- Dependent claims 41, 45-57, 59-66, and 68-75.

**1.0 Response to the Objection to the Declaration**

At paragraph 1 page 2, the Office Action asserted that the declaration in the present application is defective and that a new declaration is therefore required because the present declaration lists patent application No. 09/553,423, rather than the patent application number of the present application (i.e., patent application No. 10/829,119). Contrary to the assertions made by the Office Action, the declaration is not defective.

Specifically, MPEP § 201.06 states that

37 CFR 1.63(d) provides that a newly executed oath or declaration is not required in a continuation or divisional application filed by all or by fewer than all of the inventors named in a prior nonprovisional application containing a signed oath or declaration as required by 37 CFR 1.63, provided that a copy of the signed oath or declaration filed in the prior application is submitted for the continuation or divisional application and the specification and drawings filed in the continuation or divisional application do not contain any subject matter that would have been new matter in the prior application.

(emphasis added) MPEP § 201.06(c)(II).

In accordance with MPEP § 201.06(c)(II) and 37 CFR 1.63(d), the declaration submitted with the present application is not defective and a newly executed declaration is therefore not required because:

1. The present application is a continuation of patent application No. 09/553,423 (hereinafter the “parent application”);
2. The present application was filed by the same inventors named in the parent application;
3. The specification and drawings of the present application are copies of the specification and drawings of the parent application and as such, do not contain any subject matter that would have been new matter in the parent application;
4. The parent application contains a declaration as prescribed by 37 CFR 1.63(a)-(c) and that is signed; and
5. The declaration submitted with the present application is a copy of the declaration from the parent application, as noted by the application number listed on the declaration of the present application.

In addition, neither the MPEP nor the Patent Rules require that a supplemental oath/declaration be submitted to correct the declaration of the present application to make specific reference to the present application. In particular, MPEP §§ 602.01 and 602.02 do not require such a correction, contrary to the apparent assertions made by the Office Action.

Accordingly, it is respectfully requested that the objection to the declaration be withdrawn.

## **2.0 Response to the Objection to the Specification**

At paragraph 2 page 3, the Office Action objected to the phrase “receive respond” in the paragraph beginning at page 12, line 18 of the Specification. In response to the objection, this paragraph has been amended to remove the phrase “respond to”.

At paragraph 2 page 2, the Office Action also objected to the “Brief Description of the Drawings” because “the description … lumps sixteen pages of drawings together under ‘FIGS. 17-25b.’” Specifically, the Office Action asserted that 37 CFR 1.74 and MPEP § 608.01(f) “instructs that each figure with a number should have a separate brief description, and in the case of a FIG 1A, 1B, and 1C, either a brief description of either FIG 1 or three descriptions of its parts would be proper.”

The Office Action misinterpreted, in part, 37 CFR 1.74 and MPEP § 608.01(f). Specifically, 37 CFR 1.74 states that “[w]hen there are drawings, there shall be a brief description of the several views of the drawings ....”

Similarly, MPEP § 608.01(f) states that

[i]f a figure contains several parts, for example, figure 1A, 1B, and 1C, the figure may be described as figure 1. If only figure 1A is described in the brief description, the examiner should object to the brief description, and require applicant to either add a brief description of figure 1B and 1C or describe the figure as ‘figure 1.’

Notably, neither 37 CFR 1.74 nor MPEP § 608.01(f) requires that “each figure with a number ... have a separate brief description.”

In accordance with 37 CFR 1.74 and MPEP § 608.01(f), the “Brief Description of the Drawings” has been amended at page 7, line 10 to state “FIGS. 17, 18, 19, 20, 21, 22a, 22b, 22c, 22d, 23a, 23b, 24a, 24b, 24c, 25a, and 25b are illustrative ...,” rather than “FIGS. 17-25b are illustrative ....”

### **3.0 Response to the Objection to the Drawings**

At paragraph 3 pages 3-4, the Office Action made several objections to the drawings as not complying with 37 CFR 1.84(p)(5).

In response to the objection regarding reference characters 300, 302, 420, and 1004, the paragraphs beginning at page 9, line 6, page 16, line 10, and page 43, line 12 of the Specification have been amended to include these reference characters.

In response to the objection regarding reference character 2264, the paragraph beginning at page 34, line 7 of the Specification has been amended to replace this reference character with reference character 2246. In addition, Figure 22c has been amended to have reference character 2246 refer to the \$50 million offer of CUST 3004, rather than to the \$25 million sale of CUST 3005.

In response to the objection regarding the phrase “see ‘10’ under ‘BOT’ in CUST 3004 row,” the paragraph beginning at page 37, line 13 of the Specification has been amended to remove this phrase and to add reference character 2352 to refer to the \$10 million purchase by CUST 3004. In addition, Figure 23b has been amended to include reference character 2352.

With respect to Figure 2 and the question as to “why the telephone network (226) is shown outside the market boundary (102),” it is unclear from the question as to how Figure 2 does not comply with 37 CFR 1.84. A description of Figure 2 can be found at pages 7-9 of

the Specification, for example. If the objection to Figure 2 is maintained, it is respectfully requested that the objection be clarified.

#### **4.0 Response to the Rejection of the Claims under 35 USC § 101**

At paragraphs 5-6 pages 4-5, the Office Action rejected previously presented claims 38-41 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. The Office Action failed to establish a *prima facie* case under 35 U.S.C. § 101 with respect to any of these claims

Specifically, MPEP § 2106 indicates in part that to determine whether a claimed invention complies with the statutory requirements of 35 U.S.C. § 101, there must be a determination of (1) whether the claimed invention falls within a judicial exception (e.g., abstract ideas) to the four enumerated categories of patentable subject matter recited in section 101 and if so, (2) whether the claimed invention covers the judicial exception or is directed to a practical application of the judicial exception. MPEP § 2106(IV).

Notably, MPEP § 2106 further indicates that “[t]he examiner bears the initial burden ... of presenting a *prima facie* case of unpatentability.” MPEP § 2106(IV)(D). In particular, the Examiner must “identify and explain in the record the reasons why a claim is for an abstract idea with no practical application” and only then does the “burden shift[] to the applicant.” (emphasis added) MPEP § 2106(IV)(D).

In rejecting previously presented independent claim 38, the Office Action asserted that “[r]eceiving and presenting an uncancelled bid or offer can be an abstract activity.” First, previously presented claim 38 does not recite such limitations but rather, recites “*receiving the bid or offer ...; presenting the bid or offer ...; and preventing cancellation of the bid or offer.*” Accordingly, contrary to MPEP § 2106(IV), the Office Action failed to identify any abstract idea recited by claim 38. Second, even assuming, *arguendo*, that claim 38 recites “[r]eceiving and presenting an uncancelled bid or offer,” contrary to MPEP § 2106(IV) the Office Action failed to present any reasons why such limitations are an abstract idea. Accordingly, the Office Action failed to establish a *prima facie* case under 35 U.S.C. § 101 with respect to claim 38.

In further rejecting claim 38, the Office Action also asserted that “[n]o real world result is cited in the claim, thus it is not tangible” and that “the use of such a method, specifically a trading method that does not accomplish a trade, is not recited in the claim.” First, the breaking apart of useful, concrete, and tangible as three separate requirements is

unsupported by law and is thus improper. Specifically, the Federal Circuit has held that for a claimed invention to include a practical application of an abstract idea, the claimed invention need only produce a useful, concrete, and tangible result. AT & T Corp. v. Excel Communications Inc., 172 F.3d 1352, 1356 (Fed. Cir. 1999); State Street Bank v. Signature Financial Trust, 149 F.3d 1368, 1373 (Fed. Cir. 1998). Notably, in making the above noted assertions, the Office Action appeared to indicate that “useful, concrete, and tangible” are three separate requirements that must be met to satisfy 35 U.S.C. § 101. Such an assertion has no legal support. The Federal Circuit has defined the phrase “useful, concrete, and tangible” as one unified test, not as three separate requirements that must be met. AT & T Corp., 172 F.3d at 1358-60. Accordingly, the breaking apart of useful, concrete, and tangible as three separate requirements as indicated by the Office Action is unsupported by law and is thus improper. As such, it is unclear what legal standard the Office Action was applying when rejecting claim 38.

Second, the courts have never defined “useful” and “tangible.” Accordingly, contrary to the Office Action there is no legal support for a challenge of claim 38 based on a definition of “useful” that includes a “specific, substantial and credible [result] specifically recited in the claim.” Similarly, contrary to the Office Action there is no legal support for a challenge of claim 38 based on a definition of tangible that includes “a ‘real-world’ result, not abstract.”

Third, it is unclear what the Office Action meant by the statement, “the use of such a method, specifically a trading method that does not accomplish a trade, is not recited in the claim.” In particular, claim 38 does not recite “a trading method that does not accomplish a trade.” In addition, the statement that “the use of such a method … is not recited in the claim” appears to indicate that for there to be a practical application of an abstract idea, the claim must recite a use of the abstract idea. However, such a challenge has no legal support. As indicated, the Federal Circuit has held that for a claimed invention to include a practical application of an abstract idea, the claimed invention need only produce a useful, concrete, and tangible result.

Fourth, even assuming, *arguendo*, that there is a basis for challenging a claim as not having a useful result and a tangible result, as the Office Action appeared to assert, the rejection of claim 38 is still not proper. Specifically, contrary to MPEP § 2106(IV) the Office Action failed to provide any reason why “*preventing cancellation of the bid or offer*” as recited by previously presented claim 38 is not a useful result and a tangible result.

Accordingly, the Office Action again failed to establish a *prima facie* case under 35 U.S.C. § 101 with respect to claim 38.

Regarding previously presented independent claim 39 and dependent claims 40-41, the Office Action appeared to reject these claims for reasons similar to claim 38.

Accordingly, the Office Action failed to establish a *prima facie* case under 35 U.S.C. § 101 with respect to claim 39-41 for at least the reasons set forth above for claim 38.

Turning to amended claims 38 and 41 and new claims 45-75, these claims recite in part to “*execute a trading command against the order*,” which is a useful, concrete, and tangible result. Accordingly, these claims are directed at statutory subject matter under 35 U.S.C. § 101.

## **5.0 Response to the Rejection of the Claims under 35 USC § 112**

At paragraphs 7-8 pages 5-7, the Office Action rejected previously presented claims 38-44 under 35 U.S.C. § 112, first paragraph, as failing to comply with the enablement requirement. The Office Action failed to establish a *prima facie* case of lack of enablement with respect to any of these claims.

Specifically, MPEP § 2164 states that

[a] conclusion of lack of enablement means that, based on the evidence ..., the specification, at the time the application was filed, would not have taught one skilled in the art how to make and/or use the full scope of the claimed invention without undue experimentation.

...

In order to make a rejection, the examiner has the initial burden to establish a reasonable basis to question the enablement provided for the claimed invention.... [T]he minimal requirement is for the examiner to give reasons for the uncertainty of the enablement.

MPEP §§ 2164.01(a) and 2164.04.

In rejecting previously presented claims 38-44, the Office Action appeared to merely conclude that in view of “a power outage ... [and] [l]egally binding agreements,” it would have taken undue experimentation for one skilled in the art to have a “computing system ... accomplish” “*preventing cancellation*.” However, contrary to MPEP § 2164 the Office Action failed to provide any evidence of record, let alone reasons, to support such a conclusion of undue experimentation. Accordingly, the Office Action failed to establish a *prima facie* case of lack of enablement with respect to claims 38-44.

In further rejecting previously presented claims 42-44, the Office Action appeared to merely conclude that “[p]reventing activity during a given time period would have taken undue experimentation for a person of ordinary skill in the art of electronic trading systems of 1999,” “particularly if email and the phone system are part of the market” because “several hacks [supposedly] begin with resetting the computer’s system clock such that a computer acts as though it is in a different time period.” Again, contrary to MPEP § 2164 the Office Action failed to provide any evidence of record, let alone reasons, to support such a conclusion of undue experimentation. Accordingly, the Office Action failed to establish a *prima facie* case of lack of enablement with respect to claims 42-44.

We respectfully request that if the Examiner maintains the rejection of the currently presented claims under 35 U.S.C. § 112 for lack of enablement that the Examiner provide objective evidence of record to support such a conclusion.

#### **6.0 Response to the Rejection of Claims 38-44 under 35 U.S.C. § 102(b)**

At paragraphs 9-10 pages 7-8, the Office Action rejected previously presented claims 38-44 under 35 USC § 102(b) as being anticipated by Wiseman, U.S. Patent No. 5,168,446 (hereinafter Wiseman). As indicated, claims 39-40 and 42-44 have been canceled and claims 38 and 41 have been amended. Wiseman does not anticipate any of currently presented claims 38 and 41.

Specifically, independent claim 38 recites in part a computing device operable to  
*determine a period of time; ...*

*determine whether the command to cancel is received during the period of time;*

*cancel the order when the command to cancel is received after the period of time; and*

*execute a trading command against the order when the command to cancel is received during the period of time.*

Wiseman discloses that “a CANCEL field can be used to terminate any communication link at any stage of a transaction, provided the transaction is not in the proposal state (where a proposal has been sent) or any subsequent stage. However, a transaction that has reached the proposal stage can still be canceled if the proposal is CHANGED [by a party] and one of the parties touches CANCEL twice before a new proposal is received.” (Wiseman, column 19, lines 36-46; column 28, lines 1-47).

Accordingly, Wiseman appears to disclose that a transaction may be canceled at any stage prior to the proposal stage, which is different from to “*determine a period of time; ... determine whether the command to cancel is received during the period of time; cancel the order when the command to cancel is received after the period of time; and execute a trading command against the order when the command to cancel is received during the period of time,*” as claim 38 recites. Wiseman also appears to disclose that once in the proposal stage, a transaction may not be canceled unless the proposal is CHANGED by a party, which is also different from to “*determine a period of time; ... determine whether the command to cancel is received during the period of time; cancel the order when the command to cancel is received after the period of time; and execute a trading command against the order when the command to cancel is received during the period of time,*” as claim 38 recites. Accordingly, Wiseman does not anticipate claim 38.

Because claim 41 depends from independent claim 38, Wiseman fails to anticipate claim 41 for at least the reasons set forth above for claim 38.

## 7.0 New Claims 45-75

New dependent claims 45-57 depend from independent claim 38 and as such, Wiseman fails to anticipate these claims for at least the reasons set forth above for claim 38.

New independent claim 58 recites in part a computing device operable to

*determine a period of time; ...*

*in response to the command to cancel, determine whether the period of time has lapsed;*

*cancel the order when the period of time has lapsed; and*

*execute a trading command against the order when the period of time has not lapsed.*

As similarly discussed above, Wiseman does not disclose such limitations and as such, Wiseman does not anticipate claim 58 and new claims 59-66, which depend there from.

New independent claim 67 recites in part a computing device operable to

*determine a period of time; ...*

*in response to the command to cancel, determine whether the order has been made available to the at least second participant for at least the period of time;*

*cancel the order when the order has been made available to the at least second participant for at least the period of time; and*

*execute a trading command against the order when the order has not been made available to the at least second participant for at least the period of time.*

Again, Wiseman does not disclose such limitations, as similarly discussed above, and as such, does not anticipate claim 67 and new claims 68-75, which depend there from.

#### **8.0 Conclusion**

Since Wiseman fails to anticipate claims 38, 41, and 45-75, these claims are clearly allowable. Favorable reconsideration and allowance of these claims are therefore requested.

We earnestly believe that this application is now in condition to be passed to issue, and such action is also respectfully requested. However, if the Examiner deems it would in any way facilitate the prosecution of this application, the Examiner is invited to telephone our undersigned representative at 212-294-7733.

Respectfully submitted,

/Glen R. Farbanish/

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Date

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